

CEMS – Master in International Management



Work Project

Transparency International

Business Project: Assessing self-financing alternatives for Transparency International in LATAM: The case of the Peruvian chapter, Proética

Based on the Business Project Developed at Stockholm School of Economics

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1. Brief Context of the Business Project

1.1. Transparency International

Transparency International (TI) is a non-governmental organization (NGO) founded in 1993 to fight for a world where governments, politics, civil society, businesses and people's daily lives are free of corruption. TI is a de-centralized organization composed by the Secretariat, in Berlin, and by more than 100 chapters around the world, 20 of those represented in Latin America (LATAM)¹. The chapters are locally established, autonomous, financially independent and need to be approved as a chapter following TI's vision towards the fight of corruption. Every chapter works to promote strong and effective transparency, accountability and anti-corruption mechanisms at their national level and advocate for open government and effective anti-corruption reforms in their respective countries.

TI has several functions. It serves as a link between the global network of chapters, through which they can for example share best practices and receive important information and common training. The way chapters are funded varies chapter to chapter. However, main sources of funding encompass governments, foundations and private donors. The Secretariat itself can also provide small grants, thus representing also a source of funding.

1.2. Current Situation

Bilateral and multilateral donor agencies have been the main source of funding for TI all over the world. These organizations have been withdrawing or cutting funding in the LATAM chapters over the past couple years. Reasons for this encompass the recent financial crisis (which severely affected major donors) and the de-prioritization of LATAM (whose countries are now being considered as middle-income²) towards least developed countries (LDC). The result of these withdrawals and fund-cuts is that they impose huge challenges for the financial sustainability of these chapters and the continuity of their work. If this issue is not addressed urgently, the chapters will eventually be forced to terminate their operations.

1.3. The Business Project Challenge and Process

The project team was approached to provide TI with a suggestion for a business idea in order to obtain a new source of sustainable funding for the TI

¹ www.transparency.org

² <http://ngm.nationalgeographic.com/2011/03/age-of-man/map-interactive#b02g21f20b14>

chapters in LATAM so that they could continue and expand their operations independent of institutional and bilateral donors. Ideally, the project was to tackle four chapters (Mexico, Guatemala, Costa Rica and Peru). However, due to time constraints, the project team had to narrow down the scope.

First, we analyzed and understood the main problem that the LATAM chapters were facing, after which we considered different alternatives to developing a business concept to tackle it. This alternative nevertheless was found to be the most suitable.

Secondly, we contacted the four chapters that were selected by TI to be part of the project. They were assessed based on different selection criteria so that by the end of this stage, we were able to make the objective decision of choosing Proética, the Peruvian chapter, as our ultimate client.

Thirdly, we started to work directly with Proética. Through desk research and theory-driven brainstorming, we identified 6 different potential projects. The project concept of workshops was chosen to be developed further based on another thorough selection process. Finally, we developed a customized business plan for the client, which would allow Proética to implement the concept and reach the desired financial goal in the future.

1.4. Summary of Conclusions

Throughout the development of this business Project, which was conducted in three different stages, the team incurred several findings.

In the first stage – understanding the problem, the team realized that TI had a clear objective for their LATAM chapters, but was not able to give us specific details on which business concept to develop, neither which chapter (s) to work with. Therefore, in the second stage – scoping the project – the team engaged in extensive interviews with 4 chapters and concluded that they pretty much varied in terms of maturity and funding needs. Hence, working with only one chapter seemed to be the most suitable approach to ensure the delivery of a reliable business plan. On the last stage – developing the expected delivery – the team realized that the lack of market information, the existence of business jargons and the geographical distance imposed several challenges. Therefore, we concluded that if they follow our customized business plan as we proposed, they would successfully be able to implement the business concept of Workshops.

2. Stronger evaluation of the potential of the market

As we have seen in the Business Plan, the idea chosen to be developed further would be to provide Workshops³, initially to public institutions. Reasons for this encompass, among others, Proética's expertise and the current market regulation⁴. This idea, however, is a new concept in the market and there is currently no direct competition to Proética. Therefore, the information available regarding clients' willingness to pay for this service is non-existent.

Due to the lack of time and the high geographical distance to engage in extensive research and further development of the market potential, the team had to perform the market assessment based on the client's⁵ latest experience and networking on the field. In this section, I will analyze the original approach towards market assessment, point out some of its limitations and provide recommendations on how to improve certain steps and approach the analysis.

2.1. Original Approach

In order to get acquainted with the potential of the market, it was necessary to estimate the market attractiveness and the client's willingness to pay for this service. For this purpose, the team divided this process into five phases: defining the target customer; estimating the number of total customers; determining the client's willingness to pay; computing the potential market size and growth; and forecasting demand.

In the first stage, the team engaged in desk research and concluded that the Peruvian chapter had two potential client segments: public institutions and private institutions. However, because private institutions are not obliged to comply with the aforementioned market regulation, the primary client target would be solely the public institutions, which are represented by 20 ministries, 25 regional governments and 69 public offices (cf. appendix 1).

For the following stages, because market information was unavailable, the team developed one questionnaire to help in the assessment (cf. appendix 2) of the market and conducted three interviews with different entities.

³ Trainings provided by Proética on themes related to anti-corruption

⁴ On the 18th of April 2005, the Peruvian Government approved a new regulation in the Market demanding public institutions to follow an ethical code of conduct and complying with several-anti-corruption measures.

⁵ Cecilia Lanzara

In the second stage, the team realized that taking the average number of workers per institution could be a viable way to get the total number of target customers in the market and estimated that, on average, ministries are composed by 800 employees, regional governments are composed by 100 and public offices are composed by 120. However, due to differences in employees' payrolls, the team also estimated that only 20% of the total workforce would be "trainable". In the third stage, the team concluded that the client's willingness to pay for a workshop of 12 hours for 25 people would be, on average, \$9/person/hour. With this information, and assuming a market a growth of 5%⁶, the total market would be \$ 445,000 in 2015, \$ 470,000 in 2016 and \$ 490,000 in 2017.

Last, but not the least, because ministries, regional governments and institutions have different priorities, it was assumed a constant monthly market penetration rate of 3%, 2 % and 1% respectively over the next 5 years⁷. This assumption is therefore translated into training around 123 people/month (c.f. appendix 3), which would be equal to achieving total sales of \$129,600 in the first year and \$157,530 in 2019 (cf. appendix 4).

2.2. Limitations

The approach undertaken, despite representing a simplistic forecasting model based on conservative assumptions, poses some limitations that will now be addressed.

Firstly, and recalling what has been said, this business idea is a new concept in the market, which means that even conservative forecasting is entitled to failure. In some extent, we would be trapped in anchoring and optimism biases.

Secondly, estimations were based on the information provided by a very short sample of answers⁸. Even though the deduction process was rational and made together with the chapter, deriving the whole market demand based on this information may not be the closest to reality and chances that things will take a different direction may be high.

Thirdly, it was assumed that demand would be constant over the next 5 years and sales would grow at the GDP growth. This very simplistic assumption gives an idea of future cash flows, however it does not take into consideration the different

⁶ Average expected economy growth for the next 3 years according to Peru's Central Bank

⁷ For simplification reasons

⁸ Ministry of Culture, SERVIR and Ministry of Public Relations

stages of the product life cycle⁹. Given the novelty of this service, assuming that Proética would be able to train 123 people/month constantly on the first year and over the following 5 years, may not best represent the future outcome. It is probable that the service will have different stages in the market, however this model is rather assuming that the service would be positioned in a rather more matured phase from the start.

2.3. Further Development on the original approach

In this section I will explain the steps I would have undertaken differently, both at analyzing the market potential and forecasting demand. The previous approach, as explained, was composed by 5 stages. For each of these stages, individually or combined, some recommendations will be made in order to tackle the limitations addressed in the previous section.

1) *Defining the target customer*

The approach undertaken previously was simple and straightforward. The team was able to identify every public entity existent in the Peruvian market. However, in order to better understand each of the potential clients and their behavior, a client profile¹⁰ should have been designed. Different features, such as culture, demographics, market status, economics circumstances, among others, should be assessed and analyzed in form of a database¹¹.

In appendix 5, one can see an example of what the profile should include. The importance of these profiles would give Proética a better feeling of what the client really values and how better off they would be by acquiring the chapter's service. Based on the profile, I would include a ranking table based on the likelihood to acquire the service. With this information Proética would be entitled to know which institutions to tackle first and how to approach them. At this stage, only desk research should be done given the great amount of time and resources it would consume to create the profiles.

2) *Estimating total number of customers and willingness to pay*

Because some of the information required is only assessable via direct interviews with the client, Proética should, this time, choose 3 or 4 institutions of each

⁹ Approach proposed by McKinsey insights and publications:

http://www.mckinsey.com/insights/strategy/beating_the_odds_in_market_entry

¹⁰ Information retrieved from Kotler, P., Gary., A. (2000). *Principles of Marketing*

¹¹ For example, an excel sheet

category (ministry, regional governments or public offices) whose ability to provide good responses is the highest. Hence, Proética should get at least 9¹² responses (instead of 3) in total from the potential clients.

The questionnaire used before to assess this information is, in my point of view, complete and clear, and it should be used again when interviewing the institutions. With this questionnaire, Poética should be able to retrieve the number of “trainable” employees and have a better idea of the potential size of the market. I believe that with at least 9 responses, the risk of deducting the market potential reduces considerably. Based on the quantitative information collected, the values used to derive the market should be, as done previously, a weighted average (c.f. appendix 6).

The market size is a function of the total number of people “trainable”, the number of hours provided and the price/person/hour. After collecting all the information and assessing the market as described before, Proética would be in the possession of the necessary conditions to estimate a more precise market size (c.f. appendix 7).

3) *Forecasting demand*

Forecasting demand, in my point of view, is the most important and sensitive stage and should be analyzed with greater detail. As previously discussed, there are several limitations that derive from the approach undertaken upon demand forecast. The conservative assumptions, despite being rational, did not fully represent the characteristics of the market and the service. In this section, I will propose a different approach and provide a personal recommendation on how to forecast sales based on the product life cycle¹³.

The product life cycle is represented by the stages that products typically face in the market: introduction, growth, maturity and decline (cf. appendix 8). Due to the current market regulation and the belief that the government will continuously adopt a cleaner and less corrupted country, it is expected that entities, at least the ones that are state owned, will continuously have to engage in a more ethical behavior. In this sense, it is possible that the maturity stage will last for long period of time and the

¹² Previously only 3 interviews were conducted and this number may be insufficient to derive market potential

¹³ Kotler, P., Gary, A. (2000). *Principles of Marketing*

decline stage will not be a threat during the following 10 years. Therefore, Proética, should be concerned about the first three stages for the next 5 years. For each of the first 3 stages, I will now analyze how sales should be composed by and what Proética should expect from the market.

3.1. Introduction Phase

Given that this service is new in the market, it is crucial to invest wisely in this stage to make sure the service is able to reach its highest level of sales in the maturity stage. With the help of the information collected from the questionnaires, Proética should be able to understand and rank the different institutions based on their willingness to buy the product. In addition, a list of the number of people that each institution is willing to train and the reservation price should be available for further consideration.

Ideally, the chapter should identify and ensure that it can sell the service at least to 1 or 2 clients from each category and start advertising these institutions heavily with the packs provided in the marketing plan of the business plan. This phase should take no longer than one year, which should be the necessary time frame to be able to sell the service to 1 or 2 ministries, 1 or 2 regional governments and 1 or 2 public offices. In other words, Proética should preferably be able to sell 6 workshops in the first year. Based on the previous assumption that each workshop would have on average 25 people and would consist in 12 hours of training¹⁴, the estimated sales for the first year should be around \$ 16,200¹⁵ instead of \$ 129,600.

3.2. Growth Phase

The service's success will be a function of the word of mouth effect derived from the first experience of the client. Because we are considering an experience good, the sustainability of the service is at high stake. Therefore, Proética's should still engage in advertisement but at this point, not only trying to maintain existent clients but also acquiring new ones from the list created in the market assessment.

Based on the results from the first stage and client's feedback, Proética should be able to draw expectations on how the market is accepting the service and derive the second year's demand. For example, if the questionnaires distributed at the end of each Workshop provide good feedback, Proética could expect that not only it would

¹⁴ Benchmark based on Proetica's past experience

¹⁵ 6 workshops x 12 hours x 25 people x \$9/person/hour (assumption based on benchmark)

serve the same clients on the upcoming year, but it would also acquire new clients.

Based on the information available, it would be extremely helpful to design a goal map stating how many people or institutions Proética wants to train as an achievement of that year. At the end of the third year (2017), market acknowledgment about this service should be high in a sense that Proetica shouldn't have to dedicate additional resources in advertisement and promotion. For example Proética could keep track of the number of "likes" on their Facebook page, in order to understand if, since the beginning of implementation of this project, Peru has or not gained acknowledgement.

3.3. Maturity Phase

Reaching the highest level of sales and profit the market can offer, especially when there is no competition, is the desirable goal for every company. At the beginning of the 4th year of implementation, Proética should already have a good positioning in the market and demand should no longer be a consequence of a push strategy¹⁶, but a rather pull strategy. At this point, market perception should be that having these trainings would be a synonym of higher market status and a higher commitment in becoming a less corrupted institution. Ideally, Proética should reach and surpass the \$157,530 predicted in the previous model for the end of the 5th year, given that in the past model, the demand was kept constant since the beginning of the implementation of the project. Proética, with this new approach, would incorporate a positive network effect along the years, which would translate in higher penetration rates and consequently higher sales.

Although the previous model used to derive the market was composed by a very conservative approach, one can see that this new approach yields much lower levels of sales for the next 5 years (c.f. appendix 9). However, it is expected a high level of brand and service recognition from the market from this model, which could ultimately yield higher returns from the 5th year onwards. This new model represents, to me, an analysis closer to reality and poses, therefore, more realistic goals for Proética.

¹⁶ As suggested in the business plan

3. Reflection on learning

The team of this Business Project was selected based on professional background and skills and consisted of 3 very culturally diverse members. The first member was Peruvian with a background in marketing and client relationship management, the second member was German-Israeli with a background in business and project management and the third member was me, with a background in strategy and finance. When we were first introduced to this Business Project, from the client's perspective the problem definition seemed to be clear and the answer to tackle the presented problem was given at first hand. Nevertheless, the team felt the need to take one step back and evaluate the situation as independent and outside assessors. For this, we analyzed the problem by using the tools provided by the **Y-model**¹⁷ - a tool I have never used before – defining the current situation, intended future situation and the need for this project. In addition, we applied the **stakeholder analysis model**¹⁸ to map the different stakeholders involved in the project. The combination of these two models helped us realize that the Secretariat and the LATAM chapters had differing perceptions on the urgency for finding new sources of funding.

Ideally, TI wanted us to tackle this problem for all the 20 LATAM chapters, but the team quickly realized that due to time constraints and the huge geographical distance, there was a constant need to **manage our client's expectations** and narrow down the project scope.

Through the development of the three different stages that our process consisted of, we perceived a set of challenges that needed to be overcome. During the first two stages of our process, which consisted of a combination of desk research and extensive interviews with the chapters in LATAM and the Secretariat in Berlin, **coordination and communication** proved to be essential. Not only did we have to communicate with our clients in different locations and time zones, but we also had to communicate among the group members. Although there was no natural leader in the group, one of our team members was very keen in project management and the other was experienced in client relationship management. I can say that throughout the whole process, I was able to learn and enhance this set of skills to my benefit.

As the Project evolved, and through the application of personal knowledge as well as grounded papers based on other NGO's past experience, the team was able to

¹⁷ Lundeberg, 1993

¹⁸ Schein, 1997

finally decide on the business idea of Workshops. During this process, my role was made important in terms of emotional control. Although the team designed back-up plans for major steps to ensure the project would not come into a halt, stress was not always avoidable. Sometimes in groups, different cultures clash and emotions come into place. My role entailed maintaining a cohesive group to ensure that even in stressful situations, we were able to make rational decisions.

Once the selection of the project was done, the next step was defining with greater detail what our final delivery would consist of. For this purpose, the team used the **X-model**¹⁹. This model allowed us to understand and define what our final delivery, a Business Plan, would consist of: (1) Industry Analysis, (2) Marketing Plan, (3) Business Case and (4) Implementation Plan. In this particular stage, the **language** (namely the business jargons) proved to be a great challenge. It was of extreme importance to teach our client, who was an NGO, different business concepts and strategies, to ensure that we were able to collect the relevant information from the market and write an understandable business plan. In terms of content, it mainly integrated concepts and tools acquired during our career path. With the help of prior knowledge, I was able to use several tools in some of the different deliveries. For example, when assessing the industry, the content learned throughout the course of Strategy in Global Markets proved to be a very useful tool to understand the market attractiveness and the sustainability of the project. Frameworks such as the porter 5 forces and the VRIO analysis played the most relevant role. When drawing the financial analysis, the knowledge acquired in corporate finance was crucial to forecast future cash flows.

With the complementary skills of the whole group, I believe we provided Proética with all the necessary tools and knowledge to successfully implement the business concept of Workshops. However, more time for the development of the project and a closer geographical distance, would definitely have allowed a more in-depth analysis and a consequently more detailed Business Plan. The presence of soft skills was extremely important and, whereas I am confident I possess some good soft skills such as: (communication, language, teamwork), I intend to keep working on my personal development. Last, but not the least, this Business Project provided me with very valuable tools and served as a real life experience.

¹⁹ Lundeberg, Mårtensson, Mähring, 2006

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Transparency International: <http://www.transparency.org>

How to estimate market size – Business and Marketing Planning for Start-Ups: <http://www.marsdd.com/mars-library/how-to-estimate-market-size-business-and-marketing-planning-for-startups/>

Utilizing an alternative method to effectively estimate market size: <http://www.orcinternational.com/US/Insight/recorded-webinars/Documents/Market%20Size%20Estimation%20Whitepaper.pdf>

Beating the odds in market entry: http://www.mckinsey.com/insights/strategy/beating_the_odds_in_market_entry

VRIO análisis: <http://www.strategicmanagementinsight.com/tools/vrio.html>

How to assess the market potential of your idea: <http://www.inc.com/guides/201109/how-to-assess-the-market-potential-of-your-new-business-idea.html>

Target customer profile sheet: <http://www.technologystudent.com/PDF4/customer1.pdf>

Five different steps to creating an ideal customer profile: <http://blog.thewholebraingroup.com/steps-to-creating-an-ideal-customer-profile>

5. Appendices

Appendix 1 – Public Institutions in Peru

Ministries	Regional Governments
Ministerio de Relaciones Exteriores	Gobierno Regional de Amazonas
Ministerio de Defensa	Gobierno Regional de Ancash
Ministerio del Interior	Gobierno Regional de Apurímac
Ministerio de Justicia y Derechos Humanos	Gobierno Regional de Arequipa
Ministerio de Economía y Finanzas	Gobierno Regional de Ayacucho
Ministerio de Producción	Gobierno Regional de Cajamarca
Ministerio de Agricultura y Riego	Gobierno Regional de Callao
Ministerio de Energía y Minas	Gobierno Regional de Cusco
Ministerio de Comercio Exterior y Turismo	Gobierno Regional de Huancavelica
Ministerio del Ambiente	Gobierno Regional de Huanuco
Ministerio de Salud	Gobierno Regional de Ica
Ministerio de Vivienda, Construcción y Saneamiento	Gobierno Regional de Junín
Ministerio de Educación	Gobierno Regional de La Libertad
Ministerio de Transportes y Comunicaciones	Gobierno Regional de Lambayeque
Ministerio de Trabajo y Promoción de Empleo	Gobierno Regional de Lima
Ministerio de Desarrollo e Inclusión Social	Gobierno Regional de Loreto
Ministerio de la Mujer y Poblaciones Vulnerables	Gobierno Regional de Madre de Dios
Ministerio de Cultura	Gobierno Regional de Moquegua
Ministerio de Fomento y Obras Públicas del Perú	Gobierno Regional de Pasco
Ministerio de la Presidencia	Gobierno Regional de Piura
	Gobierno Regional de Puno
	Gobierno Regional de San Martín
	Gobierno Regional de Tumbes
	Gobierno Regional de Tacna
	Gobierno Regional de Ucayali

Public Offices

Academia de la Magistratura	Instituto Nacional de Investigación Agraria
Banco Central de Reserva del Perú	Instituto Nacional de Recursos Naturales
Banco de la Nación	Instituto Nacional Penitenciario
Centro de Altos Estudios Nacionales	Instituto Defensa del Consumidor y Propiedad Intelectual
Centro de Predicción Numérica del Tiempo y Clima	Jurado Nacional de Elecciones
Corporación Financiera de Desarrollo	Oficina Nacional de Procesos Electorales
Comisión Nacional Supervisora de Valores	Oficina Registral de Lima y Callao
Comisión de Promoción de la Pequeña y Microempresa	Organismo Supervisor de Inversión Privada en Telecomunicaciones
Comisión para la Promoción de Exportaciones	Organismo Supervisor de Transporte Público
Comisión Nacional de Juegos de Casino y Máquinas Tragamonedas	Poder Judicial
Congreso de la República	Policía Nacional del Perú
Consejo de Supervigilancia de Fundaciones	Portal del Estado Peruano
Consejo Nacional del Ambiente	Procobre Perú
Consejo Nacional de Ciencia y Tecnología	Programa Nacional de Asistencia Alimentaria
Consejo Nacional de la Magistratura	Comisión de Promoción del Perú para la Exportación y el Turismo
Consejo Nacional de Transacciones	Proyecto Para Ahorro de Energía
Consejo Superior de Contrataciones y Adquisiciones del Estado	Registro Nacional de Identificación y Estado Civil
Contraloría General de la República	Registro Nacional de Sanidad Agraria

Public Offices (cont.)

Corporacion Peruana de Aeropuertos y Aviación Comercial	Registro Predial Urbano
Dirección General de Gobierno Interior	Registros Públicos de Lima y Callao
Dirección General de Insumos, Medicamentos y Drogas	Secretaría de Defensa Nacional
Dirección General de Migraciones	Servicio Aerofotográfico Nacional
Defensoría del Pueblo	Servicio de Administración Tributaria
EsSalud	Servicio de Agua Potable y Alcantarillado de Lima
Fondo Metropolitano de Inversión	Servicio Nacional de Meteorología e Hidrología
Instituto de Ingenieros de Minas del Perú	Servicios Postales del Perú
Instituto de Salud del Niño	Superintendencia de Banca y Seguros
Instituto de Mar del Perú	Superintendencia de Entidades Prestadoras de Salud
Instituto Geofísico del Perú	Superintendencia Nacional de Aduanas y Administración Tributaria
Instituto Geográfico Nacional	Superintendencia Nacional de Servicios de Saneamiento
Instituto Geológico Minero y Metalúrgico	Tribunal Constitucional
Instituto Nacional de Becas y Crédito Educativo	Tribunal Fiscal
Instituto Nacional de Bienestar Familiar	Zona Franca de Tacna
Instituto Nacional de Conseciones y Catastro Minero	
Instituto Nacional de Defensa Civil	
Instituto Nacional de Estadística e Informática	

Appendix 2 – Questionnaire

- 1) How many people work, in total, in the institution? How many people work in your department?
- 2) Would your department be interested in acquiring Workshops? How about the other departments of the institution?
- 3) How often would you like to be part of a 12 hour Workshop?
- 4) How much would you be willing to pay for a 12 hour Workshop for 25 to 30 people?
- 5) According to the current regulation in the market and future trends on anti-corruption measures, how do expect this demand for Workshops to evolve?

Appendix 3 – Demand Estimation per month

DEMAND ESTIMATION					
Institution	# Institutions	# People/ Institution	Total # people	% People to train/month	# People to train
Ministries	20	800	16000	3%	96
Regional Governments	25	100	2500	2%	10
Public Offices	69	120	8280	1%	17
Total	114	1020	26780		123

Appendix 4 – Revenue estimation for the next 5 years

USD	2014	2015	2016	2017	2018	2019
Revenue		\$129.600	\$136.080	\$142.884	\$150.028	\$157.530

Appendix 5 – Example of features to include in the client profile

Type of Institution (Ministry, regional government or public entity):

Name of Institution:

Foundation:

Location:

Mission:

Vision:

Number of employees/department:

Principal activities engaged in:

Priorities for the near future (following year):

Overall budget:

Budget available for activities:

Importance of market status (low, medium, high):

Factors the customer is likely to consider before buying the service:

List all the ways in which contact can be made with this potential customer:

Proética's self assessment (unlikely to buy, likely to buy, very likely to buy):

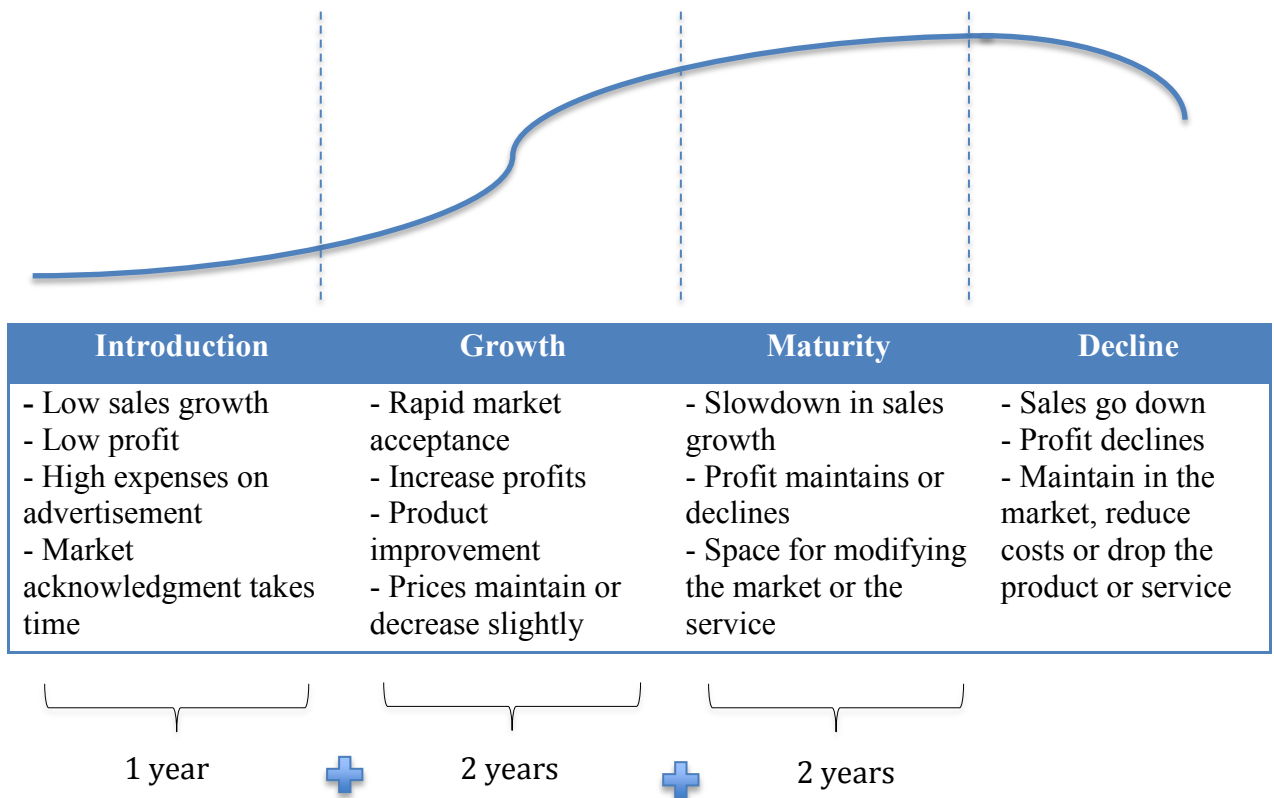
Appendix 6 – Assessing demand potential

Category (Ministries, Regional Governments, Public offices)					
Name	# Total employees	# Departments	# Employees/department	# Trainable employees	Willingness to Pay/person/hour
A	X	D	G	J	M
B	Y	E	H	K	N
C	Z	F	I	L	O
			= Average of G,H and I	= Average of J,K and L	= Average of M,N and O

Appendix 7 – Assessing market size

Potential Market size				
Category	# Institutions	# Trainable employees	Willingness to pay/person/hour	Market size
Ministries	20	A	D	= A x D x 12 h x 20 ministries = G
Regional Governments	25	B	E	= B x E x 12 h x 25 governments = H
Public offices	69	C	F	= C x F x 12 h x 69 offices = I
Total Market size	114	= A + B + C		= G + H + I

Appendix 8 – The product life cycle



Appendix 9 – Revenue comparison between the old model and the new model

